

AGENCY REVIEW OF
CALFED BAY-DELTA PROGRAM ADMINISTRATIVE DRAFT
PROGRAMMATIC EIS/EIR
February 9-11, 1998

ISSUES OF PRIMARY CONCERN TO
WESTERN AREA POWER ADMINISTRATION

The primary area in which the PEIS/EIR needs to be improved is in describing effects of all elements of the Bay-Delta Program on hydropower generation and Federal hydropower sales. For such analysis to be useful, it must address the following:

- For any Program actions that will affect reservoir and river operations or consumption of Project Use power, the timing, magnitude and duration of such changes and their effects on reservoir carryover storage must be clearly described. At the programmatic level of analysis, the description must be sufficiently detailed that effects of the "Program" can be determined.
- Modeling the hydropower effects of the changes described above must differentiate between the two water projects (Central Valley Project and State Water Project), and must provide sufficient detail so effects can be determined at each CVP and SWP hydropower generating and water pumping facility.
- To the extent reductions in hydropower generation can be predicted, the PEIS/EIR must discuss what the likely effects will be from substituting other electric power resources for the lost hydropower. For example, if thermal or fossil fuel generation is substituted, the secondary and cumulative air quality effects from burning fuels should be included in the analysis. Also, the economic effects of substituting higher cost generation should be described. Greater utilization of fossil fuels should be described in the sections on Relationship Between Short-term Uses of the Environment and the Maintenance and Enhancement of Long Term Productivity and Irreversible and Irretrievable Commitments of Resources.
- CVP hydropower has historically sold for as much as 10 percent or more below market rates. This difference has allowed CVP hydropower customers to mix higher cost power generated from environmentally-friendly renewable resources as part of their sales and still maintain competitive rates. Also, selling below market ensures that all CVP hydropower will be sold, and limits the potential for price undercutting or "low balling" by competitive sources trying to corner the market. If CVP power cannot be sold, the project capital investment cannot be repaid. Accordingly, using market rate as the threshold for determining significant impacts is not correct. A more correct threshold for significance would be to define as significant any impacts that reduce the price advantage that CVP power has historically held when compared with market rates.

- Power impact analyses should accurately reflect revenues from Project Use sales, the amount and value of power purchases to meet a defined load level, describe and assign accurate value to "ancillary services", and accurately allocate impacts between the CVP and the SWP.

Other general concerns Western has with the PEIS/EIR: It is not clear how impact significance was determined for the impact summary tables; the conclusions in the PEIS/EIR should be clearly supported by and referenced to technical appendices; and Program objectives should be quantified wherever possible.